



COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

QUARTERLY BUSINESS SURVEY NO. 29

CAPITAL AND MAINTENANCE EXPENDITURE BY  
AUSTRALIAN BUSINESSES



INTRODUCTION

Quarterly Business Survey No. 29 was carried out in the third quarter of 1954. The purpose of the survey was to obtain information for use in estimating the new capital and maintenance expenditure which was made by private businesses during the first half of 1954 and the expenditure which they expected to make in the second half of 1954.

Questionnaires were sent to a selected list of businesses, and on the basis of the replies received estimates have been prepared of the total expenditure by all private businesses subject to payroll tax. These include all private businesses except the smallest, which either employ no labour or have a payroll below the exemption limit for payroll tax. Rural industries, governments and most governmental business undertakings are excluded, as well as charitable and other bodies exempt from payroll tax.

The term "buildings" herein includes construction work on assets such as private wharves, roads, etc. The term "capital equipment" includes motor vehicles, loading equipment, office equipment and furniture, as well as machines and machinery of all kinds.

NEW CAPITAL EXPENDITURE

Table 1 shows the estimated expenditure on new buildings and new capital equipment from the beginning of 1947 to 30th June, 1954, and an estimate of the expenditure expected to be made in the second half of 1954.

TABLE 1. NEW CAPITAL EXPENDITURE, 1947 TO 1954

(By private businesses subject to payroll tax - excluding rural industries)

	1947	1948	1949	1950	1951	1952	1953	1953		1954	
								1st Half	2nd Half	1st Half	2nd Half
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
New Buildings											
Anticipated (a)	-	26.8	26.7	36.9	49.6	62.6	62.6	31.5	31.1	33.2	38.6
Actual (b)	16.3	20.9	25.2	32.4	48.5	62.2	56.3	27.9	28.4	27.0	-
New Capital Equipment											
Anticipated (a)	-	72.9	78.2	92.2	128.5	147.8	142.1	69.5	72.6	75.1	73.9
Actual (b)	58.1	72.1	80.6	99.3	133.9	147.5	150.7	77.3	73.4	74.2	-
Total New Capital Expenditure											
Anticipated (a)	-	99.7	104.9	129.1	178.1	210.4	204.7	101.0	103.7	108.3	112.5
Actual (b)	74.4	93.0	105.8	131.7	182.4	209.7	207.0	105.2	101.8	101.2	-

(a) Anticipated at the beginning of the relevant period.

(b) As reported at the end of the relevant period.

Expenditure on new buildings and capital equipment was estimated to have fallen by 3 per cent between the first and second halves of 1953, and in the first half of 1954 there was a further very small decrease to £101.2 m. compared with £101.8m. in the second half of 1953. At the time the returns were completed - mainly during July to September, 1954 - capital expenditure was expected to rise to £112.5 m. in the second half of 1954, a rise of 11 per cent.



The fall in total expenditure between the first and second halves of 1953 resulted from a decline of £3.9 m. in expenditure on new capital equipment, partly offset by a slight rise in expenditure on buildings. Between the second half of 1953 and the first half of 1954 expenditure on new buildings fell by £1.4 m. while expenditure on new capital equipment rose by £0.8 m.. Practically no change was expected in the expenditure on new capital equipment in the second half of 1954, but businesses were expecting to make a very substantial increase in expenditure on new buildings. It should be noted, however, that actual expenditure on new building has been consistently below the forecast and that the gap has been tending to widen in recent periods.

#### NEW CAPITAL EXPENDITURE IN INDUSTRY GROUPS

Table 2 shows the expenditure on new buildings and capital equipment in the chief industry groups from January, 1947 to June, 1954, together with the expenditure anticipated for the second half of 1954. During 1954 the industrial classification of payroll tax returns was revised, but for purposes of these surveys adjustments have been made to keep the figures as nearly as possible comparable with those for earlier periods. Despite these adjustments the figures for 1954 may not be completely comparable with earlier figures. Another minor difficulty has been occasioned by the change in the scope of the taxable field owing to the raising of the exemption limit for payroll tax from a wage bill of £1,040 per annum to £4,160 per annum in 1953. The effect of this on the estimates of capital expenditure appears to have been extremely small, and consequently no attempt has been made to adjust the estimates on this account.

**TABLE 2. NEW CAPITAL EXPENDITURE ON BUILDINGS AND EQUIPMENT IN INDUSTRY GROUPS**

(By private businesses subject to payroll tax - excluding rural industries)

	Actual										Antic-
	1947	1948	1949	1950	1951	1952	1953	1953		1954	ipated
								1st Half	2nd Half	1st Half	
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
<b>Manufacturing</b>											
Engineering and vehicles	17.9	21.6	24.1	26.9	40.7	49.2	47.6	25.2	22.4	20.2	21.9
Textile & clothing	4.2	6.2	7.2	6.7	8.7	6.3	6.5	3.3	3.2	4.5	3.9
Food, drink, tobacco	7.9	8.2	10.9	15.0	17.8	23.8	27.8	14.4	13.4	11.8	13.9
Paper, printing	5.0	6.8	9.1	11.4	14.1	13.3	7.5	3.9	3.6	4.4	6.1
Other manufacturing	13.8	16.4	18.7	26.1	36.2	39.4	39.5	21.0	18.5	20.0	21.8
<b>Total Manufacturing</b>	<b>48.8</b>	<b>59.2</b>	<b>70.0</b>	<b>86.1</b>	<b>117.5</b>	<b>132.0</b>	<b>128.9</b>	<b>67.8</b>	<b>61.1</b>	<b>60.9</b>	<b>67.6</b>
<b>Mining</b>	<b>2.1</b>	<b>3.3</b>	<b>4.5</b>	<b>6.8</b>	<b>10.8</b>	<b>13.7</b>	<b>12.5</b>	<b>7.4</b>	<b>5.1</b>	<b>5.6</b>	<b>5.8</b>
<b>Transport</b>	<b>4.7</b>	<b>6.5</b>	<b>7.2</b>	<b>6.8</b>	<b>10.2</b>	<b>10.8</b>	<b>10.6</b>	<b>5.2</b>	<b>5.4</b>	<b>8.1</b>	<b>7.2</b>
<b>Wholesale and retail trade</b>	<b>12.7</b>	<b>17.7</b>	<b>16.1</b>	<b>20.9</b>	<b>29.1</b>	<b>36.8</b>	<b>39.0</b>	<b>17.2</b>	<b>21.8</b>	<b>17.4</b>	<b>22.8</b>
<b>All other</b>	<b>6.1</b>	<b>6.3</b>	<b>8.0</b>	<b>11.1</b>	<b>14.8</b>	<b>16.4</b>	<b>15.9</b>	<b>7.6</b>	<b>8.3</b>	<b>9.2</b>	<b>9.1</b>
<b>Total Non-Manuf.</b>	<b>25.6</b>	<b>33.8</b>	<b>35.8</b>	<b>45.6</b>	<b>64.9</b>	<b>77.7</b>	<b>78.0</b>	<b>37.4</b>	<b>40.6</b>	<b>40.3</b>	<b>44.9</b>
<b>TOTAL</b>	<b>74.4</b>	<b>93.0</b>	<b>105.8</b>	<b>131.7</b>	<b>182.4</b>	<b>209.7</b>	<b>206.9</b>	<b>105.2</b>	<b>101.7</b>	<b>101.2</b>	<b>112.5</b>

Between the first and second halves of 1953 estimated new capital expenditure in manufacturing industry fell by £6.7 m. or 10 per cent while the same expenditure in non-manufacturing industry rose by £3.2 m. or 9 per cent; in the first half of 1954 there was practically no change in the total expenditure in either of these groups. Between the first two halves of 1953 expenditure fell in all manufacturing industries for which details are shown, the biggest decreases being in engineering and vehicle manufacturing and in "other manufacturing" industries. In the first half of 1954 expenditure fell further in the engineering and vehicles industry and in the food, drink and tobacco industry, but in the other manufacturing industries expenditure increased again after the temporary set-back in 1953.



A rise of £11.3 m. or 11 per cent was expected in total expenditure in the second half of 1954. Of this total an increase of £6.7 m. was expected in manufacturing industries and an increase of £4.6 m. in the non-manufacturing industries, representing approximately 11 per cent in each case. Rises were expected in all manufacturing industries except the textile and clothing group, but in the engineering and vehicle manufacturing industry the level of expenditure expected in the second half of 1954 was still below the level of expenditure in 1952 and 1953. The largest increase expected was in the wholesale and retail trade group, in which firms reported expectations of a substantial increase in expenditure, particularly on new buildings.

#### REPAIR AND MAINTENANCE EXPENDITURE

Table 3 shows estimated expenditure on repairs and maintenance since the beginning of 1947 by the businesses covered in this survey.

TABLE 3. REPAIR AND MAINTENANCE EXPENDITURE

(By private businesses subject to payroll tax - excluding rural industries)

	1947	1948	1949	1950	1951	1952	1953	1953		1954	
								1st Half	2nd. Half	1st. Half	2nd. Half
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
Anticipated	-	57.4	64.2	69.7	89.4	114.9	127.0	60.8	66.2	67.3	69.2
Actual	58.3	62.7	70.3	77.4	109.0	129.6	139.2	70.0	69.2	68.6	-

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